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PART IV

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

■

UPWARD BOUND PROGRAM, TALENT SEARCH PROGRAM AND SPECIAL SERVICES FOR DISADVANTAGED STUDENTS

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

[45 CFR Part 155]

UPWARD BOUND

Notice of Proposed Rulemaking

Pursuant to the authority contained in Title-IV-A-4 of the Higher Education Act of 1965, as amended (20 U.S.C. 1070d-1070d-1), the Commissioner of Education, with the approval of the Secretary of Health, Education, and Welfare, proposes to revise portions of Part 155 of Title 45 of the Code of Federal Regulations, which governs the administration of the Upward Bound Program.

The Office of Education published Interim Regulations for the Upward Bound Program in the FEDERAL REGISTER of May 14, 1976 (41 FR 20076-20086). At that time, interested parties were invited to comment on the provisions contained in the Interim Regulations. On October 12, 1976, the Education Amendments of 1976 (Pub. L. 94-482) were enacted and several provisions of that Act amended the statute authorizing the Upward Bound Program. On November 29, 1976, a Notice of Intent to Publish Regulations was published in the FEDERAL REGISTER (41 FR 52410-52426) indicating various issues raised by the Education Amendments of 1976 concerning the Upward Bound Program. Public comments were invited on those and other issues affecting the program.

A. SUMMARY OF COMMENTS—OFFICE OF EDUCATION RESPONSE

Numerous comments have been received in response to the Interim Regulations and the Notice of Intent. These have been summarized and are set forth below along with the Office of Education's response.

Comment. Numerous comments suggested that exemptions from the age limitation and the eligibility requirements be provided for veterans.

Response. No change has been made. The Upward Bound Program is designed to serve youths from low-income families. Veterans must meet the same eligibility requirements as other project participants.

Comment. Numerous comments suggested that the income eligibility requirement of § 155.4(c) was too restrictive in high cost areas.

Response. The Office of Education has adopted the standards for low-income family level set forth in the "Current Population Reports," Series P, Bureau of the Census, U.S. Department of Commerce. These standards are more liberal than those which were previously employed.

Comment. Several comments objected to the residential requirement of the summer residential component.

Response. The requirement has been modified to permit up to 10% of the projects funded in any fiscal year to include applicants who have residential facilities but prefer non-residential projects. No change has been made in the requirement that institutions without residential facilities available to them are otherwise eligible. A requirement that all non-residential projects must provide three meals a day has been added.

Comment. Several comments raised questions regarding the type of assessment instruments which can be employed to determine growth in project participants' academic skills. They objected to the requirement of § 155.8(d)(2) and (3) (formerly § 155.8(c)(2) and (3)) that standardized tests be employed.

Response. No change has been made. The purpose of the Upward Bound Program is the development of skills and motivation for success in education beyond high school. Certain standardized tests are universally recognized as requirements for admission to postsecondary schools. The Office of Education believes that these tests are necessary indicators of the success which a project participant will have in gaining admission to postsecondary schools.

Comment. One comment suggested that in evaluating proposals under § 155.8(c) (formerly § 155.8(d)), weights should be assigned to each question on the application, rather than to the category under which a group of questions falls.

Response. No change has been made. The Office of Education believes that the total concept, such as project design, should be evaluated rather than the individual parts of which it is composed.

Comment. Several commenters objected to the requirement that a project make every effort to recruit a student body which reflects within a ten percent variance and ethnic/racial composition of the eligible students who are enrolled in target schools. In the view of these commenters, the requirement would prevent a project from focusing on the needs of a specific community.

Response. No change has been made. The purpose of this requirement is to ensure that projects are not designed to serve an exclusive racial or ethnic group and that recruitment efforts are not restricted in this regard.

Comment. Several comments suggested that the section on allowable costs be expanded to include such items as medical expenses and gym clothes.

Response. The section has been amended to include insurance to cover the costs of an injury to an enrollee while he or she is participating in a project activity and medical insurance for the enrollee during full-time participation in the summer residential component. Clothing is not an allowable cost of an Upward Bound project.

General comments. Several comments raised issues which were previously considered in the Preamble to the Interim Regulations (45 FR 20076-20082). Commenters are referred to the responses set forth in that Preamble.

B. SUMMARY OF PROPOSED CHANGES

The most significant changes concern the funding criteria for new awards. The weights assigned to the designated categories have been revised to place an increased emphasis on the need for the project in the area to be served.

The scope and purpose section has been modified to include within the category of youths which the Upward Bound Program is designed to serve, youths from low-income families who have academic potential but who lack adequate secondary school preparation as a result of severe rural isolation. An exemption from the residential requirement of the summer residential component has been modified to permit up to 10 percent of the number of projects funded to be non-residential although the applicant has residential facilities available to it. Provision is made, however, that all non-residential projects must provide three meals a day for participants.

The section on veterans' projects has been modified to allow these projects to provide short-term remedial refresher courses for veterans who are high school graduates but who have delayed pursuing post-secondary education. The section on allowable costs has been amended to include insurance to cover the costs of injuries to Upward Bound enrollees and medical insurance for project participants under certain circumstances. Finally, the requirement that a project director serve on a full-time basis has been amended to provide for an exemption for those individuals who are selected to coordinate two or more projects and for those individuals who must teach a minimum number of hours to retain faculty status. In addition, some minor technical changes have been made where necessary.

For the convenience of the reader, the Office of Education is republishing the entire regulation but is requesting comments only on the proposed changes and not on the whole regulation. These changes include §§ 155.1(a), 155.2(d), 155.4(c), 155.5(b), 155.5(c), 155.8(d), 155.11(a). Interested parties are invited to submit written comments, suggestions, or objections on these changes to the Office of Education, Bureau of Postsecondary Education, Division of Student Services and Veterans Programs, Room 4674, ROB-3, 400 Maryland Avenue, S.W., Washington, D.C. 20202, on or before March 3, 1977. Comments received will be available for public inspection at the above office Monday through Friday between 8:00 a.m. and 4:30 p.m.

The Office of Education intends to maintain an ongoing effort to improve the mechanism whereby it evaluates applicants' proposals to carry out an Upward Bound project. It is especially interested in ways in which on-site visits can be used in the evaluation process. With this notice, the Office of Education solicits public comments on this issue and wishes to state that such comments will be received and considered in the future as well.

NOTE.—The Office of Education has determined that this document does not contain a major proposal requiring preparation of an Inflation Impact Statement under Executive Order 11821 and OMB Circular A-107.

(Catalog of Federal Domestic Assistance Number 13.492, Upward Bound.)

Dated: January 14, 1977.

EDWARD AGUIRRE,
U.S. Commissioner of Education.

Approved: January 18, 1977.

DAVID MATHEWS,
Secretary of Health, Education, and Welfare.

Part 155 of Title 45 of the Code of Federal Regulations is amended to read as follows:

Sec.
155.1 Scope and purpose—general provisions.
155.2 Definitions.
155.3 Project size.
155.4 Eligible project participants.
155.5 Summer residential, academic year and veterans components.
155.6 Eligible applicants.
155.7 Applications.
155.8 Funding criteria.
155.9 Program requirements.
155.10 National demonstration projects.
155.11 Allowable costs—stipends.
155.12 Salary and wage rates.
155.13 Student records.
155.14 Travel.
155.15 Functional relationship with programs authorized by Title IV-A-4 of the Higher Education Act of 1965.

AUTHORITY: Sec. 417A-417B, Title IV of the Higher Education Act of 1965 as amended by sec. 131(b), Title I, Pub. L. 92-318, 86 Stat. 258-259 (20 U.S.C. 1070d-1070d-1), Sec. 124 (b), Title 1, Pub. L. 94-482, unless otherwise noted.

§ 155.1 Scope and purpose—general provisions.

(a) The regulations in this part govern the administration of the Upward Bound Program. This program is designed to generate skills and motivation necessary for success in education beyond high school for youth from low-income families who have academic potential but who lack adequate secondary school preparation including those students whose inadequate secondry school preparation is a result of severe rural isolation. Upward Bound projects provide a summer residential program during which participants receive (1) intensive instruction in basic academic skills, such as reading, public speaking and writing, mathematics and science, (2) guidance and counseling with regard to educational and career opportunities, and (3) a comprehensive counseling and enrichment program for the purpose of developing creative thinking, effective expression and positive attitudes toward learning. Such projects also provide, during the school year, tutoring and counseling services. The goal of the program and projects funded under this part is to increase the academic performance and motivational levels of eligible enrollees so that such persons may complete secondary school and successfully pursue post-secondary educational programs.

(b) Assistance provided under this part is subject to applicable provisions contained in subchapted A of this chapter relating to fiscal, administrative, and other matters (General Provisions for Office of Education Programs—45 CFR 100a).

(20 U.S.C. 1070d—1070d-1.)

§ 155.2 Definitions.

For the purpose of this part:

(a) "Act" means the Higher Education Act of 1965, as amended.

(20 U.S.C. 1001 *et seq.*)

(b) "Academic potential" means a capacity for success in post-secondary education which is documented by standardized measurement instruments or other verifiable indicators such as written recommendations from professional educators, counselors or employers.

(20 U.S.C. 1070d-1.)

(c) "Combination of institutions of higher education" means a group of institutions of higher education that have entered into a cooperative arrangement for the purpose of carrying out a common objective or a public or private nonprofit agency, organization, or institution designated or created by a group of institutions of higher education for the purpose of carrying out a common objective on their behalf.

(20 U.S.C. 1141(j).)

(d) "Institution of higher education" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, or admits as regular students, persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by that institution, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a 2-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, (i) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (ii) is an institution whose credits are accepted on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any school which provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of paragraphs (d) (1), (2), (4), and (5) of this section, unless the school is a public institution, in which case it may also be accredited by the State agency in that State which has been listed by the Commissioner as a reliable authority as to the quality of public postsecondary vocational education in that State, and any proprietary institution of higher education, as defined in paragraph (e) of this section, which has an agreement with the Commissioner containing such terms and conditions as the Commissioner determines to be necessary to insure that the availability of assistance to students at the school under this part has not resulted, and will not result, in an increase in the tuition, fees, or other charges to such students.

(20 U.S.C. 1141(a), 20 U.S.C. 1088(b)(1).)

(e) "Proprietary institution of higher education" means a school which (1) provides not less than a 6-month program of training to prepare students for gainful employment in a recognized occupation, (2) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (3) is legally authorized by the Staate in which it is located to provide a program of education beyond secondary education, (4) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose, (5) is not a public or other nonprofit institution, and (6) has been in existence for at least two years.

(20 U.S.C. 1088(b)(3).)

(f) "State" means, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(20 U.S.C. 1141(b); 1088(a).)

(g) "Target area" means an area, having a high concentration of youths from low-income families, which will be served by an Upward Bound project.

(20 U.S.C. 1070d—1070d—1.)

(h) "Target school" means a secondary school which serves students residing in a target area.

(38 U.S.C. 101(2).)

(i) "Veteran" means a person who served in the active military, naval or air service of the United States.

(38 U.S.C. 101(2).)

(j) "Youth" means a person aged 14 through 27.

(20 U.S.C. 1070d—1070d-1, unless otherwise noted.)

§ 155.3 Project size.

(a) Except for National Demonstration projects, each project funded under this part shall serve between fifty and one hundred fifty participants. Participants may include students enrolled in target schools situated not more than 50

miles from the institution administering the project, dropouts from such secondary schools and veterans residing within the fifty mile radius. Upward Bound projects serving veterans shall be composed exclusively of veterans.

(b) The Commisioner may authorize exceptions to any limitations set forth in paragraph (a) of this section if it can be shown that such exceptions will not hinder the effectiveness of the project nor prevent the Upward Bound program from achieving its stated goals and objectives.

(20 U.S.C. 1070d-1.)

§ 155.4 Eligible project participants.

An individual is eligible to participate in a project funded under this part if such individual:

(a) Is a youth as defined in § 155.2(j);

(b) Is a citizen or national of the United States, or is in the United States for other than a temporary purpose and is, or intends to become, a permanent resident thereof, or is a permanent resident of the Trust Territory of the Pacific Islands;

(c) At the time of initial selection comes from a family whose income does not exceed the low-income family level set forth in the "Current Population Reports," Series P-60, Bureau of the Census, U.S. Department of Commerce;

(d) Has academic potential but is unlikely to apply for admission to, or be accepted for enrollment in, an institution of postsecondary education because of a lack of preparation, or underachievement, or both, in secondary school;

(e) Is from the target area and is attending a target school, or is a dropout from a target school who has committed himself to re-entering secondary school in the fall semester which immediately follows his participation in the summer residential component; and

(f) At the time of initial selection has completed the first year of secondary school and, except for veterans, has not entered the twelfth grade. For purposes of this part, "secondary school" means a school which provides secondary education as determined under State law except that it does not include any education provided beyond grade 12.

(g) A veteran is eligible to be served under this part if the veteran meets the eligibility requirements set forth in § 155.4 (a) through (f).

(20 U.S.C. 1070d-1.)

§ 155.5 Summer residential, academic year and veterans components.

(a) Except as provided in paragraphs (c) and (e) of this section, each project funded under this part shall consist of a summer residential component and an academic year component.

(b) A summer residential component shall be of at least six weeks duration. During the summer residential component, the project shall:

(1) Provide residential facilities, including room and board, in order that the activities listed in subparagraphs (b)(2) through (b)(7) can be effectively carried out;

(2) Provide to participants who have not completed secondary school, intensive basic skills development in those academic subjects required for secondary school graduation and postsecondary school admission;

(3) Provide intensive postsecondary orientation and preparatory instruction to participants who have graduated from secondary school and who intend to enroll at a postsecondary institution in the academic term following the summer residential component;

(4) Provide motivational activities through (i) individualized guidance and counseling, and (ii) such activities as field trips to museums, educational institutions, theaters, and movies that have as their purpose the intellectual, social and cultural development of such students;

(5) Provide a staff composed of (i) teachers from the target schools the participants are attending, (ii) postsecondary instructors from the host institution including graduate assistants, and (iii) other individuals with areas of specialization that will enhance the learning potential of participants;

(6) Provide tutor-counselors, that is, postsecondary school students who have demonstrated success in postsecondary education and who, preferably, have backgrounds similar to those of the participants; and

(7) Provide such other services that have as their purpose the educational preparation of participants for postsecondary admissions, including assisting participants in the preparation of admissions and financial aid forms and where necessary ensuring that participants take national standardized tests required for postsecondary admission.

(c) (1) A recipient need not meet the residential requirement of a summer residential component if:

(i) The recipient provides services and activities equivalent to those services and activities participants would receive from a summer residential component;

(ii) The recipient demonstrates a compelling need for the services under this part in the area to be served; and

(iii) Residential facilities are not available to the project in that area.

(2) Notwithstanding subparagraph (1) of this paragraph, in the case of not more than 10 percent of the number of projects funded, as determined by the Commissioner, a recipient need not meet the residential requirement of a summer residential component if it satisfies the conditions of clauses (i) and (ii) but not clause (iii) of that subparagraph.

(3) Projects that need not provide a residential component must provide their enrollees with three meals a day.

(d) During the academic year component a project shall:

(1) Except as provided in subparagraph (2) of this paragraph, provide to participants on a weekly basis individualized guidance, counseling and orientation in career opportunities and requirements for postsecondary education including preparation of admission and financial aid applications and preparation for national standardized tests required for postsecondary admission, and either (i) academic instruction and tutoring within the context of courses being studied by the student at the secondary school or (ii) activities such as field trips to museums, educational institutions, theaters, and movies that have as their purpose the intellectual, social and cultural development of such students;

(2) The Commissioner may waive the requirements of subparagraph (1) of this paragraph for a project serving students who are not accessible to the project location or staff because of distance. In such a case, however, the project shall provide the services enumerated in subparagraph (d)(1) on a bi-weekly basis;

(3) Provide an on-going evaluation of each participant's progress toward achieving adequate academic skills and motivation necessary for success in postsecondary education, including an assessment of each participant's realistic postsecondary educational opportunities;

(4) Provide such other activities that have as their purpose the educational preparation of participants for postsecondary admissions which have the specific approval of the Commissioner; and

(5) Provide for a staff that is adequate to perform such activities.

(e) *Veterans' projects.*

The Commissioner may fund Upward Bound projects for veterans. Such projects shall:

(1) Provide intensive basic skills development in those academic subjects required for the successful completion of a high school equivalency certification program and for admission to postsecondary institutions or short-term remedial-refresher courses for those veterans who are high school graduates but who have delayed pursuing postsecondary education.

(2) Provide (i) individualized guidance and counseling, (ii) liaison with personnel of the Veterans Administration and State veterans agencies with regard to educational benefits for participants, and (iii) assistance in gaining admission to postsecondary educational programs and in obtaining financial aid where necessary; and

(3) Engage (i) a full-time project director with demonstrated administrative skills and professional qualifications to conduct a special educational program for veterans and (ii) a staff, including tutoring personnel, that has adequate professional qualifications to teach veterans' equivalency programs and to carry out proposed activities and services.

(4) The project shall provide the project director with sufficient latitude to conduct the project effectively and expend project funds as required;

(5) Veterans projects may not have a residential component nor may they pay stipends to participants.

(6) Projects funded under this paragraph must secure certification for the

payment of veterans educational benefits by appropriate State and Federal agencies prior to the beginning of educational activities.

(20 U.S.C. 1070d-1.)

§ 155.6 Eligible applicants.

(a) The Commissioner is authorized to make grants to and contracts with institutions of higher education, combinations of such institutions, public and private agencies and, in exceptional cases, secondary schools and secondary vocational schools.

(b) A combination of institutions receiving a grant or contract under this part shall vest responsibility for the administration of that grant or contract in one of its participating institutions or in a public or private agency established or designated by the combination for that purpose.

(c) A secondary school or secondary vocational school may receive funds under this part in the event no other applicant capable of providing such facilities is available in the geographic area to be served by the project and provided that the school has facilities for providing a residential summer component.

(20 U.S.C. 1070d-1.)

§ 155.7 Applications.

(a) Applicants for grants or contracts under this part shall file an application with the Commissioner before the closing date for such applications established annually by the Commissioner. Such applications shall contain the following information and such other information as the Commissioner may from time to time prescribe:

(1) *Need.* (i) A geographic description of the target area;

(ii) A documented description of the target schools in terms of the number of students enrolled in such schools from low-income families, the number and percentage of those students who subsequently enroll in postsecondary education, their ratio of students to counselors, their dropout rate, and an estimate of the number of enrolled students eligible to participate in an Upward Bound project.

(2) *Project design.* (i) The number of participants and their grade levels to be served by the project;

(ii) A description of the applicant's plan for identifying and selecting eligible participants, assessing participants in terms of their academic potential for postsecondary education and their academic and motivational needs at the time of entry into the project, providing career and academic counseling and guidance, providing academic, cultural, social, and recreational services and activities, and evaluating each participant's progress toward achieving the academic skills and motivation needed for success in postsecondary education;

(iii) A description of the summer residential and academic year components; which will show how the applicant will generate skills and motivation that will enable the participants to gain admission to postsecondary institutions; for applicants not proposing to include residential facilities in their summer residential component, the reasons for not including residential facilities, the compelling need for the project in the area to be served, and an explanation of how equivalent services will be provided;

(iv) A description of the applicant's plan for evaluating the effectiveness of the project in terms of increasing participants' performance levels, motivating participants to enroll in Postsecondary educational programs, and assisting them to obtain adequate financial aid;

(v) A description of (i) the project's staffing pattern, (ii) the required professional qualifications and experience, duties and salary range for each professional category, and (iii) the plan for staff selection and in-service training;

(3) *Resources and organization.* (i) A description of the applicant's plan to orient the target schools and postsecondary schools in the geographic area to be served to the goals of the Upward Bound project and utilize community and other resources to supplement authorized activities;

(ii) If the applicant previously carried out an Upward Bound project or a project that was comparable to an Upward Bound project, the applicant shall provide a description of that project, including the number of students served, the method used to select participants, the services offered, the number of such participants attaining a minimum of one year's growth in reading, communication skills, and mathematics, the number of participants who gained admission to postsecondary institutions, and any evaluation reports made on that project;

(iii) Evidence that an applicant has the resources, organization, and personnel to successfully carry out an Upward Bound project;

(iv) A description of the project's staffing pattern, the required professional qualifications and experience, duties and salary range for each professional category, and the plan for staff selections and in-service training; and

(4) *Budget.* (i) A detailed budget.

(b) Where the applicant is a combination of institutions of higher education, the applicant shall describe the role and function that each member of the combination will play in the operation of the project, and shall include written commitments from each institution that it will perform the activities ascribed to it.

(c) Applicants for veterans projects shall provide a description of the educational services and activities already available for veterans residing in the target area who do not possess a high school equivalency certificate in addition to the requirements set forth in subparagraphs (1), (3), (4), (6), (8), (9), and (10) of paragraph (a), and paragraph (b), of this section.

(d) Applications for national demonstration projects shall, in addition to the requirements set forth in paragraphs (a) and (b) of this section, detail the innovative and experimental approaches to be taken in the provision of project services and shall otherwise provide the information needed to determine whether the project satifies the requirements of § 155.10.

(20 U.S.C. 1070d-1.)

§ 155.8 Funding criteria.

(a) *Continuation awards.* Priority will be given to a request for funds for the continuation of a project that (1) was begun in a prior fiscal year and (2) was approved for a multi-year work period that has not expired. (continuation award)

(b) *Conditions for approval.* Requests for continuation awards will be approved if:

(1) The need continues to exist for the services provided by the project;

(2) Satisfactory progress has been made in implementing the approved work plan and in achieving the project's goals and objectives, as indicated by site visits, progress reports and other relevant data;

(3) The project continues to offer promise of success in enabling youths to enter postsecondary education with an adequate academic background;

(4) All required reports have been received and accepted by the Commissioner; and

(5) Funds are available to continue the project.

(c) *New awards.* Except as provided in paragraphs (a) and (b) of this section, the Commissioner will select applicants to be funded for new awards under this part on the basis of the criteria set forth in 45 CFR 100a.26(b), as well as the following additional criteria:

(1) *Need.* (i) The number of youths who would be eligible to participate under this part who will be enrolled in the target schools or reside in the area to be served during the project period;

(2) *Project design.* (i) The comprehensiveness of the applicant's plan for identifying and selecting eligible participants, assessing and documenting their educational need and potential for postsecondary education through the use of standardized measurement instruments, and such other evaluative methods the applicant may choose to use, providing career and academic guidance and counseling, preparing and motivating project participants for admission to postsecondary institutions, and assisting participants in applying for admission to postsecondary institutions which are appropriate for such participants' abilities and ambitions;

(ii) The extend to which the project will generate academic skills and motivation that will enable the participants to gain admission to postsecondary institutions and assist participants to attain a minimum of one year's growth, as measured by standardized measurement instruments stipulated in the application, in those academic skills such as reading, writing, mathematics and science which are essential for postsecondary education and in which participants are deficient;

(iii) The quality of the applicant's plan to evaluate project services in terms of increasing participants' performance

levels, motivating participants to enroll in postsecondary educational programs and assisting them to obtain adequate financial aid;

(3) *Resources and organization.* (i) The extent to which the applicant has provided for the orientation of target school and applicant staff to the goals and objectives of the Upward Bound Program and has provided for the utilization of community and other resources to supplement authorized activities;

(ii) The extent to which the applicant has the resources, organization, and personnel to successfully carry out an Upward Bound project;

(iii) The quality of the applicant's plan to staff the project with personnel with appropriate qualifications and experiences to carry out proposed activities, and the plan for providing in-service training;

(4) *Budget.* (i) The reasonableness of the allocation of resources among project activities:

(ii) The extent to which the proposed budget reflects the activities to be undertaken.

(d) In evaluating an application, the Commissioner will use the following weights:

(1) *Need:* 35 percent,

(2) *Design:* 30 percent,

(3) *Resources and Organization:* 30 percent, and

(4) *Budget:* 5 percent.

(e) In selecting applications for funding, the Commissioner will consider the need for a project in the area that the applicant proposes to serve as compared to the need of the total target population to be served.

(f) Except for veterans projects, preference will be given to those applicants for new awards that proposed to carry out a summer residential component.

(g) Special consideration will be given to those applicants for new awards that propose to serve veterans if the applicant will serve an area in which the needs of eligible veterans for the services provided under this part cannot adequately be met without the project.

(h) *National demonstration awards.* The Commissioner will select a limited number of applications to be funded as Upward Bound national demonstration projects on the basis of the criteria set forth in paragraph (c) and the following additional criteria:

(1) Whether the proposed project is national or inter-regional in scope, or presents a clearly new or experimental technique or design for the provision of Upward Bound services to eligible participants;

(2) Whether the proposed project does not duplicate nor compete with existing regional or national programs, nor consolidates existing regional or inter-regional educational activities under the aegis of a single agency or institution;

(3) Whether, with regard to proposed projects presenting a new or experimental technique or design, the proposed activities and results can be readily replicated and utilized by other educational programs concerned with the provision of services for similar youths;

(4) Whether the proposed project will provide services not readily available on a local or regional basis for such youths; and

(5) Whether the proposed project will provide disadvantaged students a variety of educational opportunities and options for postsecondary education.

(20 U.S.C. 1070d-1.)

§ 155.9 Program requirements.

(a) Each project funded under this part shall be designed to assist in enabling youths with academic potential from low-income families with inadequate secondary school preparation to complete secondary education and be prepared to successfully pursue postsecondary education; and shall:

(1) Develop and utilize objective procedures to identify participants from a variety of sources and select eligible participants on the basis of a comprehensive needs assessment. A comprehensive needs assessment shall include standardized and other instruments which will diagnose specific areas of academic strengths and weaknesses;

(2) Set specific objectives, stated in measurable terms, that each participant needs to attain in order to secure admission as a regular student at an institution appropriate to the individual's abilities and career ambitions;

(3) Engage a project director with demonstrated professional qualifications, administrative skills and a clear commitment to the goals of the program to serve in a full-time capacity. This full-time requirement may be waived: (i) if the individual chosen is selected to coordinate two or more programs as required under 155. 15(a), or (ii) if the individual must teach a minimum number of hours at the host institution to retain faculty status;

(4) Provide the project director with sufficient authority to conduct the project effectively and expend project funds as required;

(5) Design and implement an evaluation mechanism to test the effectiveness of (i) the project's progress in meeting approved goals and objectives, (ii) the project's efforts in remedying academic deficiencies diagnosed when students initially entered the project, and (iii) the project's activities which are designed to effect other changes in the academic and personal skills of project participants which are necessary for successes in post-secondary education;

(6) Assure that all the facilities of the host institution, both academic and non-academic, will be made available to all project participants;

(7) Utilize institutional and community resources to provide diagnostic health services to identify physical impediments to learning and to remedy those impediments;

(8) Implement a plan for following participants through their postsecondary educational program;

(9) Coordinate the project with other Talent Search, Upward Bound, Special Services and Educational Opportunity Centers projects operating in close geographic proximity, including, where feasible, the sharing of facilities, staff, services and activities;

(20 U.S.C. 1232c(b)(1).)

(10) Make every effort with regard to successful graduates from the project, to secure admissions, with adequate financial aid, to an institution of postsecondary education which is appropriate to such students' abilities and ambitions, if such graduates are unable to secure regular admissions at postsecondary institutions and if the project is administered by an institution of higher education, the project shall make every effort to secure special review from the admissions and financial aid personnel of the host institution for the purpose of reconsidering the students' admission at that institution; and

(11) Make every effort to provide that the ethnic/racial composition of the students served will reflect within a maximum ten percent variance the ethnic/racial composition of students eligible to be served by an Upward Bound project who are enrolled in target schools.

[Reserved]

(20 U.S.C. 1070d-1.)

§ 155.10 National demonstration projects.

(a) The Commissioner may reserve funds to conduct innovative and experimental Upward Bound projects.

(b) National demonstration projects shall:

(1) Be national or inter-regional in scope, or present a clearly new, or experimental technique or design for the provision of Upward Bound services to eligible participants;

(2) Not duplicate nor compete with existing regional or national programs, nor consolidate existing regional or inter-regional educational activities under the aegis of a single agency or institution;

(3) Be readily replicated and utilized by other educational programs concerned with the provision of services and activities for similar youths;

(4) Provide services not readily available on a local or regional basis for such youth; and

(5) Provide disadvantaged youth a variety of educational opportunities and options for postsecondary education.

(20 U.S.C. 1070d-1.)

§ 155.11 Allowable costs—stipends.

(a) The Commissioner will pay those costs that are reasonably related to carrying out the project. Such costs may include:

(1) In-service training of project staff;

(2) The rental of space if space is not available at the sponsoring institution and if the space rented is not owned by the sponsoring institutions;

(3) Room and board expenses for Upward Bound participants computed on a weekly basis if the expenses are not more

than the rates charged regularly enrolled students at the sponsoring institution during the summer session. In the event the host institution does not have a summer school operating at the same time as the Upward Bound project, room and board fees may be no higher than those fees charged regularly enrolled students during the academic year computed on a weekly basis. Room and board fees may be provided for the residential staff of the project only if the staff members are required to live in the dormitories with students;

(4) Student activity fees;

(5) Admission fees to educational activities, theaters, movies and other cultural events which have as their purpose the intellectual, social and cultural development of participants;

(6) Entertainment costs for project sponsored banquets, social activities and ceremonies;

(7) Meals and overnight accommodations for staff when required to accompany the project on field trips of more than one day;

(8) Tuition costs for not more than two credit bearing courses totaling 6 or less credit hours at the grantee institution for participants who have graduated from secondary school and who intend to enroll in postsecondary education in the fall semester following the summer in which the credit is earned.

(9) Insurance to cover the costs of an injury to an enrollee if the injury occurs while the enrollee is participating in a project activity and medical insurance for the enrollee while the enrollee is participating full time in the summer residential component.

(b) Costs that may not be supported by funds under this part shall include:

(1) The construction, modification, or major repairs of buildings or the purchase of land or buildings;

(2) The duplication of services specifically available to students at the institution or through such local facilities as vocational rehabilitation centers, medical clinics, and social service organizations;

(3) Research;

(4) Purchase of any equipment unless it is demonstrated that purchase is less expensive than renting;

(5) Meals for staff except as provided in subparagraphs (a)(3) and (a)(7) of this section; and

(6) Clothing.

(c) Grantees under this part will be allowed indirect costs as authorized in accordance with item 4c, of Appendix A, of parts 100 thru 100d of this title.

(d) Projects shall provide stipends to all participants who are enrolled on an essentially full-time basis. Such payments may not exceed a rate of $30 per month for the summer component or $20 per month for the academic year component except in exceptional cases, as determined by the Commissioner.

(20 U.S.C. 1070d–1.)

§ 155.12 Salary and wage rates.

(a) The salaries paid to project staff under this part shall be comparable to the salaries paid to persons with similar positions within the sponsoring institution.

(b) The minimum rate of compensation that may be paid to project employees, including students, shall be the minimum wage required under any applicable Federal, State, or local laws.

(20 U.S.C. 1070d–1.)

§ 155.13 Student records.

(a) Projects shall develop and utilize a data collection system which allows for accurate and accessible records.

(b) To document the progress of each student participating in the project, student files shall include, but are not limited to, the following:

(1) Rationale used to select individual participants, including records of interviews;

(2) High school transcripts and all available test scores;

(3) Documents pertaining to student eligibility as defined in § 155.4;

(4) Diagnostic analysis of the student's academic strengths and weaknesses at the time of entry into the project, and the program support developed to improve the student's skills;

(5) Documentation of counseling activity, such as records, family contacts, career explorations, college visits, and referrals;

(6) Documentation of the services provided, the measurements of progress, and other reports that relate to the academic and other types of assistance provided the student;

(7) A medical consent form signed by the student's parent(s) or guardian;

(8) Project efforts in assisting students in gaining admission to and financial assistance for attendance at postsecondary institutions;

(9) Project follow-up on students with particular emphasis on postsecondary enrollment and status;

(10) The recommendations made to the student upon the student's completion of the project regarding his educational and career potentials; and

(11) The reasons for a student's leaving the project if he left prior to enrollment in a postsecondary educational institution.

(c) Files for projects serving veterans shall include but are not limited to those records indicated in subparagraphs (1), (2), (3), (4), (6), (8), (9), (10) and (11).

(20 U.S.C. 1070d–1.)

§ 155.14 Travel.

In accordance with the cost principles set forth in Appendix C to parts 100 through 100d of this title, the following travel is authorized:

(a) Field trips for educational purposes which are in reasonable proximity to the project's regular location.

(b) Student travel to and from regularly scheduled project activities;

(c) Staff travel to professional and educational conferences specifically related to project development and to Office of Education-sponsored meetings when approved in writing by the Commissioner;

(d) Transportation costs for formal visits to the campus of the sponsoring institution for parents, foster parents, or legal guardians of Upward Bound students, and overnight accommodation costs for such persons when necessary because of distance;

(e) Other travel specifically approved by the Commissioner in writing and in advance of such travel.

(20 U.S.C. 1070d–1.)

§ 155.15 Coordination of administration with other programs authorized by Title IV–A–4 of the Act.

In addition to the requirements set forth in 45 CFR 100a.275 and § 155.7, if an applicant also requests funds to carry out one or more of the programs authorized by Title IV–A–4 of the Act, the application must reflect the following:

(a) Provide for a single, unified administrative program operation. In the event a Project Director of one of the projects subject to this provision is selected to coordinate these programs, the salary of that individual must be prorated among the projects:

(b) Provision for separate program identities, activities and budget; and

(c) Consolidation of personnel and program functions to the fullest extent possible while still maintaining separate program identities.

(20 U.S.C. 1070d–1.)

[FR Doc.77–2877 Filed 1–31–77;8:45 am]

[45 CFR Part 157]

SPECIAL SERVICES FOR DISADVANTAGED STUDENTS

Revisions to Regulations

Pursuant to the authority contained in Title IV–A–4 of the Higher Education Act of 1965, as amended, (20 U.S.C. 1070d–1070d–1), the Commissioner of Education, with the approval of the Secretary of Health, Education, and Welfare, proposes to revise portions of Part 157 of Title 45 of the Code of Federal Regulations, which governs the administration of the Special Services for Disadvantaged Students (Special Services) Program.

The Office of Education published final regulations for the Special Services Program in the FEDERAL REGISTER of May 14, 1976 (41 FR 20086–20095). On October 12, 1976, the Education Amendments of 1976 (Pub. L. 94–482) were enacted and several provisions of the Act amended the statute authorizing the Special Services Program. On November 29, 1976, a Notice of Intent to Publish Regulations was published in the FEDERAL REGISTER (41 FR 52410–52426) indicating various issues raised by the Education Amendments of 1976 concerning the Special Services Program. Public comments were invited on those and other issues affecting the Program. However, no major

comments were received concerning the Special Services Program.

The most significant changes concern the funding criteria for new awards. Weights have been assigned to certain designated categories (need for the project in the area to be served, project design, resources and organization, and budget) for the purpose of evaluating proposals. In addition, criteria have been adopted for selecting certain proposals for multi-year funding.

The scope and purpose section has been modified to include within the category of youths which the Special Services Program is designed to serve, youths from low-income families who are in need of services because of severe rural isolation. As a result of comments received on the Notice of Intent, the Office of Education has decided not to define the term "severe rural isolation."

The requirement that a project director serve on a full-time basis has been amended to provide for an exemption for those individuals who are selected to coordinate two or more programs and for those individuals who must teach a minimum number of hours to retain faculty status. In addition, several minor technical changes have been made.

For the convenience of the reader, the Office of Education is republishing the entire regulation but is requesting comments only on the proposed changes and not on the whole regulation. These sections include § 157.1(a), 157.5(a), 157.6 (c)(d)(e), 157.7(a)(b). Interested parties are invited to submit written comments, suggestions, or objections on these proposed changes to the Office of Education, Bureau of Postsecondary Education, Division of Student Services and Veterans Programs, Room 4674, ROB-3, 400 Maryland Avenue, S.W., Washington, D.C. 20202, on or before March 3, 1977. Comments received will be available for public inspection at the above office Monday through Friday between 8:00 a.m. and 4:30 p.m.

The Office of Education intends to maintain an ongoing effort to improve the mechanism whereby it evaluates applicant's proposals to carry out a Special Services project. It is especially interested in ways in which on-site visits can be used in the evaluation process. With this notice, the Office of Education solicits public comments on this issue and wishes to state that such comments will be received and considered in the future as well.

NOTE.—The Office of Education has determined that this document does not contain a major proposal requiring preparation of an Inflation Impact Statement under Executive Order 11821 and OMB Circular A-107.

(Catalog of Federal Domestic Assistance Number 13.482, Special Services for Disadvantaged Students.)

Dated: January 14, 1977.

EDWARD AGUIRRE,
U.S. Commissioner of Education.

Approved: January 16, 1977.

DAVID MATHEWS,
Secretary of Health, Education, and Welfare.

Part 157 of Title 45 of the Code of Federal Regulations is amended to read as follows:

Sec.
157.1 Scope, and purpose—general provisions regulations.
157.2 Definitions.
157.3 Eligible project participants.
157.4 Eligible applicants.
157.5 Applications.
157.6 Funding criteria.
157.7 Program requirements.
157.8 Bilingual educational projects.
157.9 [Reserved]
157.10 National demonstration projects.
157.11 Allowable costs.
157.12 Salary and wage rates.
157.13 Student records.
157.14 Travel.
157.15 Coordination of administration with other programs authorized by Title IV-A-4 of the Act.

AUTHORITY: Sec. 417A-417B, Title IV of the Higher Education Act of 1965 as amended by sec. 131(b) of Title I, Pub. L. 92-318, 86 Stat. 258-259 and 88 Stat. 603-604. Sec. 124 (b), Title I, Pub. L. 94-482. (20 U.S.C. 1070d-1070d-1), unless otherwise noted.

§ 157.1 Scope and purpose—general provisions regulations.

(a) The regulations in this part govern the administration of the Special Services for Disadvantaged Students (Special Services) Program. This program is designed to provide remedial and other special services for youths from low-income families with academic potential, but who may be disadvantaged because of severe rural isolation who (1) are enrolled or accepted for enrollment at an institution of higher education which is a beneficiary of a grant or contract made under this part and (2) by reason of deprived educational, cultural, or economic background, or physical handicap, or limited English-speaking ability, are in need of such services to assist them to initiate, continue, or resume their postsecondary education. The goal of the program and projects funded under this part shall be to increase the retention and graduation rates of such students.

(b) Assistance provided under this part is subject to applicable provisions contained in subchapter A of this chapter relating to fiscal, administrative, and other matters (General Provisions for Office of Education Programs—45 CFR 100a).

(20 U.S.C. 1070d-1070d-1.)

§ 157.2 Definitions.

For the purpose of this part:

(a) "Academic potential" means having abilities to complete a postsecondary educational program, with supportive services, at the institution which is the beneficiary of the grant, as documented by the written recommendations of counselors, teachers, or personal interviews, or standardized measurement instruments.

(20 U.S.C. 1070d-1.)

(b) "Act" means the Higher Education Act of 1965, as amended.

(20 U.S.C. 1001 et seq.)

(c) "Bilingual educational teaching, guidance, and counseling" means teaching, guidance, and counseling in two languages, one of which is English.

(20 U.S.C. 1070d-1.)

(d) "Combinations of institutions of higher education" means a group of institutions of higher education that have entered into a cooperative arrangement for the purpose of carrying out a common objective or a public or private nonprofit agency, organization, or institution designated or created by a group of institutions of higher education for the purpose of carrying out a common objective on their behalf.

(20 U.S.C. 1141(j).)

(e) "Deprived cultural background," with regard to a student, means an environment that has not provided those educational and other necessary skills, exposures, and experiences that equip a student to succeed in postsecondary education.

(f) "Deprived economic background," with regard to a student, means an environment in which the family income, at most, only provided for basic necessities, such as food, housing, and clothing, or where such necessities were provided wholly or in part by public assistance.

(g) "Deprived educational background," with regard to a student, means an educational environment that did not provide those skills, knowledge, and understandings that would enable a student to complete a course of study at the host institution without supportive services.

(20 U.S.C. 1070d-1.)

(h) "Institution of higher education" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate or admits as regular students, persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by that institution, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a 2-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, (i) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reason-

able time, or (ii) is an institution whose credits are accepted on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any school which provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provision of subparagraphs (1), (2), (4), and (5) of this paragraph unless the school is a public institution, in which case it may also be accredited by the State agency in that State, which has been listed by the Commissioner as a reliable authority as to the quality of public postsecondary vocational education in that State, and any proprietary institution of higher education, as defined in paragraph (j), which has an agreement with the Commissioner containing such terms and conditions as the Commissioner determines to be necessary to insure that the availability of assistance to students at the school under this title has not resulted, and will not result, in an increase in the tuition, fees, or other charges to such students.

(20 U.S.C. 1141(a); 1088(b)(1).)

(i) "Limited English-speaking ability," when used with reference to an individual, means (i) individuals who were not born in the United States or whose native language is a language other than English, or (ii) individuals who come from environments where a language other than English is dominant and, for reasons indicated in (i) or (ii) of this paragraph, have difficulty speaking and understanding instruction in the English language.

(20 U.S.C. 880b-1(a)(1).)

(j) "Other special services" means special classes, tutoring, counseling and guidance, cultural enrichment, and referrals to health, employment, housing, and legal agencies and resources to resolve noneducational problems related to academic success.

(k) "Physically handicapped students" means those students who, because of their physical disabilities, need specifically designed instructional materials or programs, modified physical facilities, or related services to participate fully in the experience and opportunities offered by postsecondary institutions. Physical disabilities include but are not limited to:

(1) Legal blindness,

(2) Deafness,

(3) Cerebral palsy,

(4) Epilepsy,

(5) Mobility difficulties due to use of appliances or prosthetics,

(6) Quadriplegia, paraplegia, or hemiplegia,

(7) Severe heart condition, and

(8) Multiple disabilities or any combination of the above conditions.

(20 U.S.C. 1070d-1.)

(l) "Proprietary institution of higher education" means a school (1) which provides not less than a 6-month program of training to prepare students for gainful employment in a recognized occupation, (2) which admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (3) which is legally authorized by the State in which it is located to provide a program of education beyond secondary education, (4) which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose, (5) which is not a public or other nonprofit institution, and (6) which has been in existence for at least two years.

(20 U.S.C. 1088(b)(3).)

(m) "State" means, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(n) "Youth" means a person aged 14 through 27.

(20 U.S.C. 1141(b); 1088(a).)

(20 U.S.C. 1070d-1070d-1, unless otherwise noted.)

§ 157.3 Eligible project participants.

A student is eligible to participate in a program or project authorized under this part if such student:

(a) Is enrolled or accepted for enrollment at an institution which is the beneficiary of a grant or contract made under this part;

(b) Is a citizen or national of the U.S., is in the U.S. for other than a temporary purpose and is or intends to become a permanent resident thereof, or is a permanant resident of the Trust Territory of the Pacific Islands; and

(c) (i) Is an individual with academic potential who demonstrates a need for the remedial and special services authorized under this part as a result of a deprived educational, cultural or economic background, or a physical handicap, or (ii) is an individual with academic potential with a limited English-speaking ability who is in need of bilingual education, teaching, guidance, and counseling in order to successfully pursue postsecondary education.

(20 U.S.C. 1070d-1.)

§ 157.4 Eligible applicant.

(a) The Commissioner is authorized to make grants to and contracts with institutions of higher education and combinations of such institutions.

(b) A combination of institutions receiving a grant or contract under this part shall vest responsibility for administering the project in one of the participating institutions or in an agency established or designated by the institutions for carrying out the project on their behalf.

(c) An agency which has been established or designated by a combination of institutions must have a written agreement setting forth the duties and responsibilities of each participating institution prior to the submission of its application.

(20 U.S.C. 1070d-1.)

§ 157.5 Applications.

(a) Applicants for grants or contracts under this part shall file an application with the Commissioner before the closing date for such applications established annually by the Commissioner. Such applications shall contain the following information and such other information as the Commissioner may from time to time prescribe:

(1) *Need.* (i) The number and percentage of students from low-income families, physically handicapped students, students who are disadvantaged because of severe rural isolation, and students of limited English-speaking ability enrolled or accepted for enrollment at the institution who are or will be eligible for program services and a description of the ethnic/racial background of the students to be served by the project;

(ii) A description of the academic and other problems these students encounter at the time of entry into the institution and continue to encounter while pursuing their education at the institution;

(2) *Design.* (i) A description of the methods by which project participants will be selected and their needs assessed;

(ii) A description of the manner in which the comprehensive services will be provided to meet the students' needs;

(iii) A description of the applicant's plan for evaluating the effectiveness of the project;

(3) *Resources and organization.* (i) A description of the project's staffing pattern, the required professional qualifications and experience, duties and salary range for each professional category, and the plan for staff selection and in-service training;

(ii) The amount and type of student financial aid available at the applicant institution that will be awarded to participants;

(iii) A description of the institution's administrative and academic policies, such as grading systems, retention policies, and probation procedures that bear on the project participant's progress toward graduation;

(iv) An organizational chart describing where the project will be placed in the institution's structure to assure that project director will be consulted on those administrative and academic policies that affect the participant's changes of completing an educational program at the institution;

(v) A description of the manner in which the applicant will orient the faculty and staff of the institution to the goals and objectives of the Special Services Program and a description of the institutional resources available to the project and the manner in which those resources will be used;

(vi) If the applicant has carried out a Special Services project or a project comparable to a Special Services project, a description of that project, including the number of students served, the methods used to select students, the services

offered, the number of such students who graduated from the institution, and any evaluation reports made on that project; and

(vii) Evidence that an applicant has the resources, organization and personnel to successfully carry out a Special Services project.

(4) *Budget.* The proposed budget.

(b) Where the applicant is a combination of institutions of higher education, the applicant shall describe the role and function that each member of the combination will play in the operation of the project and shall include written commitments from each institution that it will perform the activities ascribed to it.

(c) Applications for bilingual educational projects shall provide the information necessary to determine whether the proposed project satisfies the requirements of § 157.8.

(d) Applications for national demonstration projects shall provide the information needed to determine whether the proposed project satisfies the requirements of § 157.10.

(20 U.S.C. 1070d–1.)

§ 157.6 Funding criteria.

(a) *Continuation awards.* Priority will be given to a request for funds for the continuation of a project that (1) was begun in a prior fiscal year and (2) was approved for a multi-year work period that has not expired, (continuation award)

(b) *Conditions for approval.* Requests for continuation awards will be approved only if (1) the need continues to exist for the services provided by the project;

(2) Satisfactory progress has been made in implementing the approved work plan and in achieving the project's goals and objectives, as indicated by site visits, progress reports, and other relevant data;

(3) The project continues to offer promise of success in enabling students to complete their postsecondary education;

(4) All required reports have been received and accepted by the Commissioner; and

(5) Funds are available to continue the project.

(c) *New awards.* Except as provided in paragraphs (a) and (b) of this section, the Commissioner will select applicants to be funded under this part on the basis of the criteria set forth in 45 CFR 100a.26(b), as well as the following additional criteria:

(1) *Need.* (i) The extent to which the institution has made available educational opportunities to students of deprived educational, cultural, or economic backgrounds, and to students of limited English-speaking ability, or with physical handicaps, or who are disadvantaged because of severe rural isolation;

(2) *Design.* (i) The comprehensiveness of the applicant's plan for selecting students to be served by the project, conducting an assessment of supportive services needed by the students, and providing the services;

(ii) The quality of the applicant's plan to evaluate the project in terms of the effects of project services on the progress made by students participating in the project and the extent to which project participants graduate from the institution:

(3) *Resources and organization.* (i) The quality of the applicant's plan to staff the project with personnel with appropriate qualifications and experiences to carry out proposed activities, and the plan for providing in-service training;

(ii) The degree to which student financial assistance at the applicant institution will be used to meet the needs of students who will be participating in the project;

(iii) The degree to which administrative and academic policies have as their purpose the maximization of a student's chances for graduating from the host institution;

(iv) The extent to which the project director will be consulted on those administrative and academic policies that affect the participant's chances of completing an educational program at the institution;

(v) The extent to which the applicant proposes to orient the faculty and staff of the institution to the goals and objectives of the Special Services Program and to utilize institutional resources available to the project;

(vi) The extent to which the applicant has the resources, and organization, and personnel to successfully carry out a Special Services project.

(4) *Budget.* (i) The extent to which the proposed budget reflects the activities to be undertaken; and

(ii) The reasonableness of the allocation of resources among the project activities.

(d) In evaluating an application for a new award, the Commissioner will use the following weights:

(1) *Need.* 35 percent,

(2) *Design.* 30 percent,

(3) *Resources and organization.* 30 percent, and

(4) *Budget.* 5 percent.

(e) In selecting applications for funding, the Commissioner will consider the need for the project in the area the applicant proposes to serve as compared to the need of the total target population to be served.

(f) *National demonstration awards.* The Commissioner will select a limited number of applications to be funded as Special Services national demonstration projects on the basis of the criteria set forth in paragraph (c) of this section and the following additional criteria:

(1) Whether the proposed project is national or inter-regional in scope, or presents a clearly new or experimental technique or design for the provision of special services for students from deprived educational, cultural, or economic backgrounds, or for students with physical handicaps, or for students of limited English-speaking ability enrolled at the institution which is the beneficiary of the award;

(2) Whether the proposed project does not duplicate nor compete with existing regional or national programs nor consolidate existing regional or inter-regional educational activities under the aegis of a single agency or institution;

(3) Whether, with regard to proposed projects presenting a new or experimental technique or design, the applicant's proposed activities and expected results can be readily replicated and utilized by other educational programs concerned with the provision of special supportive services for similar students.

(4) Whether the proposed project will provide services not readily available on a local or regional basis for participants; and

(5) Whether the proposed project will provide disadvantaged students a variety of educational opportunities and career options.

(20 U.S.C. 1070d–1.)

§ 157.7 Program requirements.

(a) Each project funded under this part shall be designed to assist in enabling youths with academic potential from low-income families who may be physically handicapped or who may be disadvantaged because of severe rural isolation to graduate from postsecondary institutions and shall:

(1) Develop and utilize procedures to identify and select eligible students. Such procedures shall include a comprehensive needs assessment of the individual student to determine those academic and other educational deficiencies which need to be corrected to enable that student to graduate;

(2) Provide personal, career and academic counseling and guidance in those areas that affect the student's academic performance;

(3) Provide remedial and other special services, such as special classes, tutoring, and educational and cultural activities that will enable project participants to compete with sufficient academic and personal skills at the institution, without creating a long-range dependency on the project;

(4) Develop and utilize special curricular and instructional methods which will enable students to complete required and prerequisite courses in a reasonable period of time;

(5) Document the effects of project activities on students' performance and progress while they are participating in the project;

(6) Make every effort to provide that the ethnic/racial composition of the students served will reflect within a maximum ten percent variance the ethnic/racial composition of the students eligible to be served by the Special Services project who are enrolled in the institution which is the beneficiary of the grant; and

(7) If practicable, share facilities, staff, services, and activities of other Special Services, Talent Search, Upward Bound projects, and Educational Oppor-

tunity Centers in close geographic proximity.

(b) Each institution receiving funds under this part shall:

(1) Obtain and provide adequate financial aid for students enrolled in the project to enable them to continue their academic program;

(2) Retain project participants at the institution for a period of time sufficient to enable them to adjust to and participate meaningfully in the academic program at the institution (a minimum of two years for a 4-year program, one year for a 2-year program);

(3) Make all resources and facilities which are available to regular students of the institution available to project participants;

(4) Place the project within a department of the institution's structure so that the project has academic credibility;

(5) Locate the project in an area that is accessible to the students to be served;

(6) Engage (i) a full-time project director with demonstrated professional qualifications, administrative skills and a clear commitment to the goals of the program, who will be authorized to conduct the project effectively and expend project funds, and who will be consulted with regard to the development of institutional practices and procedures that relate to the retention and graduation of project participants. This full-time requirement may be waived in the event the individual is selected under § 157.15 (a) to coordinate two or more programs, or if the individual must teach a minimum number of hours at the host institution to retain faculty status;

(7) Engage a staff that has professional qualifications and commitment to carry out the proposed activities and services;

(8) Utilize institutional facilities and, when possible, staff, to provide pre-service and in-service training for the project staff; and

(9) Develop an administrative and faculty commitment to the goals of the Special Services Program.

(20 U.S.C. 1070d–1)

§ 157.8 Bilingual educational projects.

(a) Projects serving students of limited English-speaking ability shall provide special instruction in the use of the English language to such students, either through the project or the institution's regular program of instruction.

(b) Projects serving only students of limited English-speaking ability, or projects with a specific component serving such students, shall provide bilingual personal, career, and academic counseling and guidance; bilingual remedial and special classes that enable students to complete required and prerequisite courses; bilingual tutorial services; and other bilingual supportive services necessary to meet the educational needs of the participants.

(c) Projects serving only students with limited English-speaking ability or projects with a specific component serving such students shall select students for participation in the project who have the greatest difficulty in speaking and understanding instruction in the English language, if the project cannot serve all such students who are enrolled or accepted for enrollment at the institution.

(20 U.S.C. 1070d–1)

§ 157.9 [Reserved]

§ 157.10 National demonstration projects.

(a) The Commissioner may reserve funds to conduct national demonstration projects which will involve innovative and experimental approaches to the provision of remedial and other special services to project participants.

(b) National demonstration projects shall:

(1) Be national or inter-regional in scope, or present a clearly new or experimental technique or design for the provision of special services for students from deprived educational, cultural, or economic backgrounds, or for students with physical handicaps, or for students of limited English-speaking ability enrolled at the institution which is the beneficiary of the award;

(2) Not duplicate nor compete with existing regional or national programs nor consolidate existing regional or inter-regional educational activities under the aegis of a single agency or institution;

(3) Be readily replicated and utilized by other educational programs concerned with the provision of special supportive services for similar students;

(4) Provide services not readily available on a local or regional basis for participants; and

(5) Provide disadvantaged students a variety of educational opportunities and career options.

(20 U.S.C. 1070d–1)

§ 157.11 Allowable costs.

(a) The Commissioner will pay for those costs that are reasonably related to the operation of a project. Such costs may include the following:

(1) Remedial and special classes if such classes are limited to project participants and the grantee institution does not provide identical instruction as part of its program of instruction;

(2) Courses in English language instruction for students of limited English-speaking ability if the institutions does not provide identical instruction as part of its program of instruction and such instruction is limited to project participants;

(3) In-service training of project staff; and

(4) Activities of an academic or cultural nature that have as their purpose the improvement of the participant's progress and personal development at the institution.

(b) Costs that may not be charged against the grant include the following:

(1) The costs involved in the recruitment of students for enrollment at the grantee institution;

(2) The construction or purchase of new buildings and the extensive modification or major repair of existing buildings;

(3) The purchase of major equipment unless specifically authorized by the Commissioner;

(4) The payment of tuition, stipends, or any other form of student financial support; and

(5) Research.

(c) Grantees under this part will be allowed indirect cost as authorized in accordance with item 4c, Appendix A, parts 100 thru 100d of the General Provisions for Office of Education Programs.

(20 U.S.C. 1070d–1)

§ 157.12 Salary and wage rates.

(a) The salaries paid to project staff under this part shall be comparable to the salaries paid to persons with similar positions within the grantee institution.

(b) The minimum rate of compensation that may be paid to project employees, including students, shall be the minimum wage required to be paid by the institution under applicable Federal, State, or local law.

(20 U.S.C. 1070d–1)

§ 157.13 Student records.

(a) Projects shall develop and utilize a data collection system which allows for accurate student accountability.

(b) To document the progress of each student participating in the project, student files shall include, but are not limited to, the following:

(1) Reasons for selecting the individual participants;

(2) High school transcripts and all available test scores;

(3) Documents supporting student's eligibility as defined in § 157.3. In the cases of students accepted on the basis of income, such documentation may include a Parents' Confidential Statement, a copy of Form 1040, or wage slips;

(4) Assessment of the student's academic strengths and weaknesses, and the program support developed to improve the student's skills;

(5) Documentation of counseling activity, such as family contacts, career explorations, referrals;

(6) Documentation of the contacts with the student, the services provided, the measurements of progress, and other reports that relate to the academic and other types of assistance provided the student;

(7) A summary at the end of each academic term of credit-hours attempted and earned, grade point average, credit hours earned toward graduation, and courses dropped and the reason for dropping them as well as remedial or noncredit courses taken;

(8) Documentation of an exit interview which shall include, but not be limited to (i) the reason for student's leaving the project, (ii) the student's permanent mailing address, and (iii) the recommendations made to the student upon the student's leaving the project regarding the student's educational and career potentials.

(20 U.S.C. 1070d–1)

§ 157.14 Travel.

In accordance with the cost principles set forth in Appendix C to parts 100 through 100d of this title, the following travel is authorized:

(a) Transportation of students to and from educational and cultural activities sponsored by the project and approved in writing by the Commissioner;

(b) Project staff travel to professional and educational conferences specifically related to project development and to Office of Education sponsored meetings, when approved by the Commissioner;

(c) Other travel specifically approved by the Commissioner in writing and in advance of such travel.

(20 U.S.C. 1070d-1)

§ 157.15 Coordination of administration with other programs authorized by Title IV-A-4 of the Act.

In addition to the requirements set forth in 45 CFR 100a.275, when an applicant under this part also requests funds to carry out one or more of the programs authorized by Title IV-A-4 of the Act, the application must reflect the following:

(a) Provision for a single, unified administrative program operation. In the event a Project Director of one of the projects subject to this provision is selected to serve as coordinator for two or more projects, the salary of that individual must be prorated among the projects;

(b) Provision for separate program identities, activities, and budget; and

(c) Consolidation of personnel and program functions to the fullest extent possible while still maintaining separate program identities.

(20 U.S.C. 1070d-1; 1232c(b)(i).)

[FR Doc.77-2878 Filed 1-31-77;8:45 am]

[45 CFR Part 159]

TALENT SEARCH

Revisions to Regulations

Pursuant to the authority contained in Title IV-A-4 of the Higher Education Act of 1965, as amended, (20 U.S.C. 1070d-1070d-1), the Commissioner of Education, with the approval of the Secretary of Health, Education, and Welfare, proposes to revise portions of Part 159 of Title 45 of the Code of Federal Regulations, which governs the administration of the Talent Search Program.

The Office of Education published final regulations for the Talent Search Program in the FEDERAL REGISTER of May 14, 1976 (41 FR 20099-20102). On October 12, 1976, the Education Amendments of 1976 (Pub. L. 94-482) were enacted and several provisions of that Act amended the statute authorizing the Talent Search Program. On November 29, 1976, a Notice of Intent to Publish Regulations was published in the FEDERAL REGISTER (41 FR 52410-52426) indicating various issues raised by the Education Amendments of 1976 concerning the Talent Search Program. Public comments were invited on these and other issues affecting the program.

A. SUMMARY OF COMMENTS—OFFICE OF EDUCATION RESPONSE

Several comments were received and these comments and the Office of Education's response is set forth below.

Comment. Two comments suggested that Talent Search provide an emphasis on serving youths who have delayed pursuing postsecondary educational training by expanding the current definition of the term "youth" or by exempting this category of individuals from the age limitation.

Response. The statute limits the Talent Search Program to "youths" who meet certain eligibility requirements. An individual who has delayed pursuing postsecondary educational training must therefore fall within the definition of a "youth" to qualify for the Talent Search Program. The Office of Education believes that the present definition of a "youth", as a person aged 14 through 27, is an extremely liberal one and has not expanded it.

Comment. One comment suggested that the Commissioner should not waive the low-income requirement for up to one-third of a project's participants. This commenter suggested that if all eligible low-income youths had been included, the remainder of the project should be filled with financially needy students on a graduated scale according to need.

Response. Section 124(c) of the Education Amendments of 1976 amended the Talent Search program statute to provide for a waiver of the low-income requirement.

Comment. One comment suggested that the requirement that projects serving sparsely populated or geographically isolated areas serve a minimum of 500 students and that all other projects serve a minimum of 1000 students be replaced by a requirement that projects serve a "substantial" or "sufficient" number based on a cost-effectiveness formula determined from the past history of Talent Search projects.

Response. No change has been made. The 1000 student requirement is based on past experience in rendering effective service to Talent Search participants. This number has been lowered to 500 for projects serving sparsely populated or geographically isolated areas so that students residing in these areas may receive the benefits of the Talent Search Program.

B. SUMMARY OF PROPOSED CHANGES

The most significant changes concern the funding criteria for new awards. Weights have been assigned to certain designated categories (need for the project in the area to be served, project design, resources and organization, and budget) for the purpose of evaluating proposals. In addition, criteria have been adopted for selecting certain proposals for multi-year funding.

The section on scope and purpose has been amended to include within the category of youths for whom the Talent Search Program is designed, qualified youths who reside in areas of severe rural isolation and youths who have delayed pursuing postsecondary education. The requirement that Talent Search projects be located in target areas in which 25% of the youths residing therein come from low-income families has been revised to provide that 25% of the families residing in the area must meet a low-income requirement. Projects serving sparsely populated or geographically isolated areas may be located in target areas in which 15% of the families meet the low-income requirement.

The section on allowable costs has been amended to include transportation costs for students and staff under certain circumstances and to permit the purchase of testing materials and college catalogs. The requirement that a project director serve on a full-time basis has been amended to provide for an exemption for those individuals who are selected to coordinate two or more programs and for those individuals who must teach a minimum number of hours to retain faculty status. Finally, a section has been added to provide that up to one-third of the project participants need not meet the low-income requirement but must satisfy the other eligibility requirements. In addition, some minor technical changes have been made.

For the convenience of the reader, the Office of Education is republishing the entire regulation but is requesting comments only on the proposed changes and not on the whole regulation. These changes include §§ 159.3(b), 159.7(d), 159.7(e), 159.8, 159.1(a), 159.3(a)(b), 159.7(d)(e), 159.8(b), 159.9(b), 159.11(a). Interested parties are invited to submit written comments, suggestions, or objections on these proposed changes to the Office of Education, Bureau of Postsecondary Education, Division of Student Services and Veterans Programs, Room 4674, ROB-3, 400 Maryland Avenue, S.W., Washington, D.C. 20202, on or before March 3, 1977. Comments received will be available for public inspection at the above office Monday through Friday between 8:00 a.m. and 4:30 p.m.

The Office of Education intends to maintain an ongoing effort to improve the mechanism whereby it evaluates applicants' proposals to carry out a Talent Search project. It is especially interested in ways in which on-site visits can be used in the evaluation process. With this notice, the Office of Education solicits public comments on this issue and wishes to state that such comments will be received and considered in the future as well.

NOTE: The Office of Education has determined that this document does not contain a major proposal requiring preparation of an

Inflation Impact Statement under Executive Order 11821 and OMB Circular A-107.

Dated: January 14, 1977.

(Catalog of Federal Domestic Assistance Number 13.488, Talent Search)

EDWARD AGUIRRE,
U.S. Commissioner of Education.

Approved: January 18, 1977.

DAVID MATHEWS,
Secretary of Health, Education, and Welfare.

Part 159 of Title 45 of the Code of Federal Regulations is amended to read as follows:

Sec.
159.1 Scope and purpose—general provisions regulations.
159.2 Definitions.
159.3 Project setting—target area.
159.4 Eligible project participants.
159.5 Eligible applicants.
159.6 Applications.
159.7 Funding criteria.
159.8 Project size.
159.9 Project activities and services—project requirements.
159.10 National demonstration projects.
159.11 Allowable costs.
159.12 Salary and wage rates.
159.13 Participant records.
159.14 Travel.
159.15 Coordination of administration with other programs authorized by Title IV-A-4 of the Act.

AUTHORITY: Secs. 417A-417B, Title IV of the Higher Education Act of 1965 as amended by sec. 131(b), Title I, Pub. L. 92-318, 86 Stat. 258-259, sec. 124(b), Title I, Pub. L. 94-482 (20 U.S.C. 1070d-1070d-1), unless otherwise noted.

§ 159.1 Scope and purpose—general provisions regulations.

(a) The regulations in this part govern the administration of the Talent Search Program. This program is designed to (1) identify qualified youths, including qualified youths residing in areas of severe rural isolation, of financial or cultural need with an exceptional potential for postsecondary educational training and especially such youths who have delayed pursuing postsecondary educational training and encourage them to complete secondary school and undertake postsecondary educational training, (2) publicize existing forms of student financial aid, and (3) encourage qualified secondary school or college dropouts of demonstrated aptitude to reenter educational programs, including postsecondary school programs. The goal of the program and projects funded under this part shall be to (i) increase the rate at which youths of financial or cultural need complete secondary school and enroll, with adequate financial aid, in postsecondary educational programs, (ii) decrease the rate of secondary and postsecondary school dropouts, and (iii) increase the number of secondary and postsecondary school dropouts who reenter educational programs, and (iv) increase the postsecondary enrollment rate of youths who have delayed pursuing postsecondary educational training.

(b) Assistance provided under this part is subject to applicable provisions contained in subchapter A of this chapter relating to fiscal, administrative, and other matters (General Provisions for Office of Education Programs—45 CFR 100a).

(20 U.S.C. 1070d—1070d-1.)

§ 159.2 Definitions.

(a) "Act," for the purpose of this part, means the Higher Education Act of 1965, as amended.

(20 U.S.C. 1001 et seq.)

(b) "Combination of institutions of higher education" means a group of institutions of higher education that have entered into a cooperative arrangement for the purpose of carrying out a common objective, or a public or nonprofit private agency, organization or institution designated or created by a group of institutions of higher education for the purpose of carrying out a common objective on their behalf.

(20 U.S.C. 1141(j).)

(c) "Cultural need" means, for the purpose of this part, a condition generally exhibited by a youth who comes from an environment that has not provided those educational and other necessary skills, exposures and experiences that will equip him to succeed in postsecondary education.

(20 U.S.C. 1070d-1.)

(d) "Demonstrated aptitude" means with regard to a secondary or postsecondary school dropout the ability to acquire those skills (1) necessary to complete a secondary educational program, or its equivalent, or (2) to enter, or reenter and complete a postsecondary educational program.

(20 U.S.C. 1070d-1.)

(e) "Exceptional potential" means a capacity for success in postsecondary education which is documented either by standardized measurement instruments or other verifiable indicators such as written recommendations from professional educators, counselors or employers.

(20 U.S.C. 1070d-1.)

(f) "Financial need," for the purpose of this part, means a condition (1) where the family income does not exceed the low-income family level set forth in the "Current Population Reports," Series P, Bureau of the Census, United States Department of Commerce, and (2) where such income at most provides for the basic necessities such as food, housing and clothing.

(g) "Institution of higher education" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, or admits as regular students, persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by that institution, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a 2-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, (i) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (ii) is an institution whose credits are accepted on transfer, by not less than three institutions which are so accredited for credit on the same basis as if transferred from an institution so accredited. Such term also includes any school which provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provision of subparagraphs (1), (2), (4), and (5) of this paragraph, unless the school is a public institution, in which case it may also be accredited by the State agency in that State which has been listed by the Commissioner as a reliable authority as to the quality of public postsecondary vocational education in that State, and any proprietary institution of higher education as defined in paragraph (g) of this section, which has an agreement with the Commissioner containing such terms and conditions as the Commissioner determines to be necessary to insure that the availability of assistance to students at the school under this part has not resulted, and will not result, in an increase in the tuition, fees, and other charges to such students.

(20 U.S.C. 1141(a); 20 U.S.C. 1088(b)(1).)

(h) "Proprietary institution of higher education" means a school which (1) provides not less than a 6-month program of training to prepare students for gainful employment in a recognized occupation, (2) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (3) is legally authorized by the State in which it is located to provide a program of education beyond secondary education, (4) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose, (5) is not a public or other nonprofit institution, and (6) has been in existence for at least two years.

(20 U.S.C. 1088(b)(3).)

(i) "Secondary school" means a school which provides secondary education as determined under State law, except that it does not include any education provided beyond grade 12.

(20 U.S.C. 1141(d).)

(j) "State" means, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the U.S. Virgin Islands, and the Trust Territory of the Pacific Islands.

(20 U.S.C. 1141(b); 1088(a).)

(38 U.S.C. 101(2).)

(k) "Youth" means (i) a person aged 14 through 27.

(20 U.S.C. 1070d–1070d–1, unless otherwise noted.)

§ 159.3 Project setting-target area.

(a) Talent Search projects, except national demonstration projects, shall provide their services to eligible youths residing or attending school in a discrete geographic area (target area). Except as provided in paragraph (b) of this section, in order to qualify as a target area, at least 25 percent of the families residing in the area must have a family income which does not exceed the low-income family level set forth in "Current Population Reports," Series P, Bureau of the Census, Department of Commerce.

(b) Projects serving sparsely populated or geographically isolated areas may serve a target area in which at least 15 percent of the families residing therein have a family income which does not exceed the low-income family level set forth in "Current Population Reports," Series P, Bureau of the Census, Department of Commerce.

(20 U.S.C. 1070d–1)

§ 159.4 Eligible project participants.

A youth is eligible to receive services under this part if he:

(a) Is a citizen or national of the United States, or is in the United States for other than a temporary purpose, and is, or intends to become a permanent resident thereof, or is a permanent resident of the Trust Territory of the Pacific Islands;

(b) Has in the case of a youth enrolled in or graduated from secondary school "exceptional potential" for success in postsecondary education or, in the case of a secondary or postsecondary school dropout, a "demonstrated aptitude" for reentry into and success in secondary or postsecondary educational programs;

(c) Is of financial or cultural need; and

(d) Is in need of (i) guidance and counseling to complete or return to secondary school, (ii) information and counseling on postsecondary educational opportunities, (iii) assistance in gaining admission or readmission to postsecondary educational institutions, or (iv) assistance in applying for financial aid to attend such institutions.

(e) Veterans if they are otherwise eligible may receive services under this program.

(20 U.S.C. 1070d–1.)

§ 159.5 Eligible applicants.

(a) The Commissioner may make grants to and contracts with the following agencies, institutions, and organizations to carry out Talent Search projects: (1) Institutions of higher education, including institutions with vocational and career education programs;

(2) Combinations of institutions of higher education;

(3) Public and private agencies and organizations (including professional and scholarly organizations); and

(4) In exceptional cases, secondary schools and secondary vocational schools, if there are no institutions of higher education or public or private agencies within a reasonable geographic distance of such secondary or vocational school providing educational services similar to the services authorized under this part.

(b) A combination of institutions receiving a grant or contract under this part shall vest responsibility for the administration of that grant or contract in one of its participating institutions or in a public or private nonprofit agency established or designated by the combination for that purpose.

(20 U.S.C. 1070d–1.)

§ 159.6 Applications.

(a) Applicants for grants or contracts under this part shall file an application with the Commissioner before the closing date established annually by the Commissioner, and shall provide the following information and such other information as the Commissioner may from time to time prescribe:

(1) *Need.* (i) The geographic area to be served (target area);

(ii) A description, citing data sources, of the target area in terms of the number and percentage of youths in the area from families whose annual adjusted gross family income is not more than the low-income level prescribed annually by the Commissioner, and the number and percentage of eligible youths residing or attending school in the area;

(iii) A description, citing data sources, of the individual secondary schools in the target area including, for the three years preceding the year for which the application is being submitted, an estimate of the dropout rate for each school, and an estimate of the number and percentage of students from each school who subsequently enroll in postsecondary institutions, an estimate of the number of students in the school from low-income families, and the ratio of counselors to students;

(iv) An estimate, citing data sources, of the ethnic/racial composition of youths from low-income families residing in, or attending school in, the target area and the ethnic/racial composition of the youths to be served by the project;

(2) *Design.*

(i) A projection of the effect of the project in the target area on the secondary school completion and dropout rate, the rate of postsecondary school admissions and the number of secondary and postsecondary dropouts who reenter educational programs;

(ii) A description of the applicant's plan for identifying and selecting eligible participants, assessing and documenting their potential for postsecondary education, providing career and academic counseling and guidance, disseminating information on student financial aid in the target area, providing assistance to project participants in gaining admission to secondary schools, and a variety of postsecondary institutions, which have adequate supportive services, if needed by such participants, assisting youths enrolling in postsecondary institutions in obtaining student financial aid; and determining whether the participants actually enrolled in secondary schools or postsecondary institutions and whether participants enrolled in postsecondary institutions received adequate financial aid;

(iii) A description of the applicant's plan for evaluating the effectiveness of the project in terms of enrolling participants in postsecondary educational programs, with adequate financial aid, and returning participants to secondary or postsecondary educational programs;

(3) *Resources and organization.* (i) A description of the applicant's plan to orient the secondary and postsecondary schools in the target area to the goals of the Talent Search project and to utilize community and other resources to supplement authorized activities including written commitments by such community and other relevant organizations;

(ii) If the applicant has carried out a project that was funded under the Talent Search Program or was comparable to one authorized under this part, a description of that project including the number of youths served, the methods used to select participants, the services offered, the rate of increase of postsecondary admissions in the area served, the rate of decrease in secondary and postsecondary school dropouts, the rate of increase of secondary and postsecondary school dropouts who reenter educational programs, and any evaluation reports made on that project;

(iii) Evidence that an applicant has the resources, organization, and personnel to successfully carry out a Talent Search project.

(iv) A description of the project's staffing pattern, the required professional qualifications and experience, duties and salary range for each professional category, and the plan for staff selection and in-service training; and

(4) *Budget.* (i) A detailed budget.

(b) Where the applicant is a combination of institutions of higher education, the applicant shall describe the role and function that each member of the combination will play in the operation of the project, and shall include written commitments from each institution that

it will perform the activities ascribed to it.

(c) Applications for national demonstration projects shall provide the information needed to determine whether the project satisfies the requirements of § 159.9.

(20 U.S.C. 1070d-1.)

§ 159.7 Funding criteria.

(a) *Continuation awards.* Priority will be given to a request for funds for the continuation of a project that (1) was begun in a prior fiscal year and (2) was approved for a multi-year work period that has not expired.

(b) *Conditions for approval.* Requests for continuation awards will be approved only if:

(1) The need continues to exist for the services provided by the project;

(2) Satisfactory progress has been made in implementing the approved work plan and in achieving the project's goals and objectives, as indicated by site visits, progress reports, and other relevant data;

(3) The project continues to offer promise of success in enabling youths to resume, or continue their secondary education, or to enter, resume, or continue their post secondary education with adequate financial aid;

(4) All required reports, have been received and accepted by the Commissioner; and

(5) Funds are available to continue the project.

(c) *New awards.* Except as provided in paragraphs (a) and (b) of this section, the Commissioner will select applicants to be funded under this part on the basis of the criteria set forth in 45 CFR 100a.26 (b), as well as the following additional criteria:

(1) *Need.* (i) The extent to which the target area of the project is characterized by having a percent of youths from low-income families residing or attending school in the area that exceeds the minimally acceptable 25 percent;

(ii) The number of youths who are eligible to be served by a project who reside or attend schools in the target area;

(2) *Design.* (i) The extent to which the project will, in the target area, increase the rate of secondary school completion and postsecondary admissions, decrease the rate of secondary school dropouts, and increase the number of secondary and postsecondary dropouts who reenter secondary and postsecondary educational programs;

(ii) The comprehensiveness of the applicant's plan for (i) identifying and selecting eligible participants and assessing and documenting their potential for postsecondary education, (ii) providing career and academic guidance and counseling, (iii) disseminating information on student financial aid to the target population, (iv) assisting youths in gaining admission or readmission to secondary schools and a variety of postsecondary institutions which have adequate supportive services, if needed by the participants, (v) assisting youths enrolling in postsecondary institutions in obtaining student financial aid, and (vi) determining whether the participants actually enrolled in secondary programs or postsecondary institutions and whether participants enrolled in postsecondary institutions received adequate financial aid;

(iii) The quality of the applicant's plan to evaluate the effects of project services on the enrollment of participants in postsecondary educational programs with adequate financial aid and on the return of participants to secondary and postsecondary educational programs;

(3) *Resources and organization.* (i) The extent to which the applicant has provided for the orientation of secondary and postsecondary schools in the target area to the goals and objectives of the Talent Search Program and has received written commitments by community and other relevant organizations for the utilization of community and other resources to supplement authorized activities;

(ii) The extent to which the applicant has the resources, organization, and personnel to successfully carry out a Talent Search project.

(iii) The adequacy of the project's staffing pattern, the required professional qualifications and experience, the duties and the salary range for each professional category and the plan for staff selection and in-service training.

(4) *Budget.* (i) The extent to which the proposed budget reflects the activities to be undertaken; and

(ii) The reasonableness of the allocation of resources among the proposed project activities;

(d) In evaluating an application for a new award, the Commissioner will use the following weights:

(1) *Need.* 35 percent,

(2) *Design.* 25 percent,

(3) *Resources and organization.* 35 percent, and

(4) *Budget.* 5 percent.

(e) In selecting applications for funding, the Commissioner will consider the need for the project in the area the applicant proposes to serve as compared to the need of the total target population to be served.

(f) *National demonstration projects.* The Commissioner will select a limited number of applications to be funded as Talent Search national demonstration projects on the basis of the criteria set forth in paragraph (c) of this section and the following additional criteria:

(1) Whether the proposed project is national or inter-regional in scope, or presents a clearly new or experimental technique or design for the provision of Talent Search services to eligible participants;

(2) Whether the proposed project does not duplicate nor compete with existing regional or national programs, nor consolidate existing regional or inter-regional educational activities under the aegis of a single agency or institution;

(3) Whether, with regard to proposed projects presenting a new or experimental technique or design, the proposed activities and results can be readily replicated and utilized by other educational programs concerned with the programs concerned with the provision of services to similar youths;

(4) Whether the proposed project will provide services not readily available on a local or regional basis to such youths; and

(5) Whether the proposed project will provide disadvantaged students a variety of educational opportunities and options for postsecondary education.

(20 U.S.C. 1070d-1.)

§ 159.8 Project size.

(a) Each project shall identify and serve 1,000 youths except that projects serving sparsely populated or geographically isolated target areas need not serve 1,000 youths but must serve at least 500 youths.

(b) Projects may serve youths from other than low-income families who are otherwise eligible under § 159.4. The number of such participants shall not exceed one-third of the total number of participants served.

(20 U.S.C. 1070d-1.)

§ 159.9 Project activities and services-project requirements.

(a) Projects funded under this part shall be designed to assist qualified youths with academic potential from low-income families to complete secondary school and enroll with adequate financial aid in postsecondary institutions and shall:

(1) Collect and disseminate information regarding the variety of postsecondary educational opportunities, student financial aid, academic assistance and career options available to project participants;

(2) Provide counseling and guidance to each project participant with regard to the appropriate postsecondary institution for that person;

(3) Provide counseling with regard to career options available to project participants; and

(4) Provide assistance to project participants in applying for (i) admission to postsecondary institutions, (ii) readmission to secondary schools, or postsecondary institutions with adequate supportive services if needed by project participants, and (iii) student financial aid.

(b) Each project shall: (1) Develop and utilize an assessment process, which includes the results of standardized measurement instruments or other verifiable indicators to determine, if needed, each participant's interests, career goals, and academic potential;

(2) In the target area, develop and implement a strategy to (i) increase significantly the secondary school completion rate, the postsecondary school admissions rate and, with regard to dropouts, the secondary and postsecondary readmission rates and (ii) decrease

significantly the secondary school dropout rates;

(3) Not duplicate services offered by an Educational Opportunity Center, another Talent Search project or other similar programs in the target area and, if practicable, shall share facilities, staff, services and activities;

(4) Establish cooperative relationships with service agencies in the target area which have resources needed by the project participants;

(5) Establish a direct relationship with educational institutions to determine admission requirements, filing and deadline dates for the submission of admission and financial aid applications, course requirements, and appropriate supportive services available for project participants;

(6) Engage a project director with demonstrated professional qualifications, administrative skills and a clear commitment to serve in a full-time capacity. This full-time requirement may be waived: (i) in the event the individual is selected under § 159.15(a) to coordinate two or more programs, or (ii) if the individual must teach a minimum number of hours at the host institution to retain faculty status; (iii) a staff that has adequate professional qualifications and commitment to carry out the proposed activities and services;

(7) Provide necessary in-service training to the project staff;

(8) Determine (i) whether each participant admitted to a secondary or postsecondary institution actually enrolled in that institution and (ii) whether participants enrolled in postsecondary institutions received adequate financial assistance; and

(9) Evaluate the effects of project services on (i) increasing the rates of secondary school completion, postsecondary admissions and secondary and postsecondary dropouts' readmission to secondary and postsecondary educational programs and (ii) decreasing the rates of secondary and postsecondary school dropouts, and

(10) Ensure that the project is not used as an exclusive recruitment mechanism by the grantee.

(20 U.S.C. 1070d-1.)

§ 159.10 National demonstration projects.

(a) The Commissioner may reserve funds to conduct national demonstration projects.

(b) National demonstration projects shall:

(1) Be national or inter-regional in scope, or present a clearly new or experimental technique or design for the provision of Talent Search services to eligible participants;

(2) Not duplicate nor compete with existing regional or national programs, nor consolidate existing regional or inter-regional educational activities under the aegis of a single agency or institution;

(3) Be readily replicable and utilized by other educational programs concerned with the provision of services for similar youth;

(4) Provide services not readily available on a local or regional basis for such youth; and

(5) Provide disadvantaged youth a variety of educational opportunities and options for postsecondary education.

(20 U.S.C. 1070d-1.)

§ 159.11 Allowable costs.

(a) The Commissioner will pay those costs that are reasonably related to carrying out the project. Such costs may include:

(1) Transportation costs for students and staff to postsecondary educational institutions in the area;

(2) Transportation costs for student participation in "College Days" activities;

(3) Transportation costs for career development field trips;

(4) Purchase of testing materials; and

(5) Purchase of college catalogs.

(b) Costs that may not be charged against the project include:

(1) Tutoring or any instructional costs;

(2) Tuition, fees, stipends or other forms of direct financial support for youths participating in project activities;

(3) Application fees for enrollment or financial aid;

(4) Duplication of services that are otherwise provided by the institution or agency sponsoring the project or by such local agencies as vocational rehabilitation centers and social service organization;

(5) Construction, major remodeling or major repair; and

(6) Meals and lodging for project participants.

(c) Grantees under this part will be allowed indirect costs as authorized in accordance with item 4c, Appendix A, parts 100 thru 100d of this title (General Provisions for Office of Education Programs).

(20 U.S.C. 1070d-1.)

§ 159.12 Salary and wage rates.

(a) The salaries paid to project staff under this part shall be comparable to the salaries paid to persons with similar positions within the sponsoring institution or agency.

(b) The minimum rate of compensation that may be paid to project employees, including students, shall be the minimum wage required under any applicable Federal, State, or local law.

(20 U.S.C. 1070d-1.)

§ 159.13 Participant records.

(a) Projects shall develop and utilize a data collection system which allows the project to establish accurate participant records for all clients served. A client is a youth who has received project services through personal contact on two or more occasions. Such records shall include, but are not limited to, the following:

(1) The method used to select the participant;

(2) The participant's high school transcripts and all available aptitude and achievement test scores;

(3) Documentation of the participants' eligibility to receive services under the project;

(4) Documentation of counseling services received by the student;

(5) Documentation of visits made to postsecondary institutions;

(6) Documentation of assistance provided the patricipant in applying for admission to postsecondary institutions and for student financial aid;

(7) The postsecondary institutions which accepted the participant for admission and the one in which he or she enrolled;

(8) The amount and type of student financial aid received by the participant; and

(9) The participant's age, sex, race, family income, grade level and permanent address.

(b) Projects shall maintain records which document services to persons served on a one- or two-time basis (contact). Such records shall include, but are not limited to, the individual's name, address, age, and service received.

(20 U.S.C. 1070d-1.)

§ 159.14 Travel.

In accordance with the cost principles set forth in Appendix C to parts 100 through 100d of this title, the following travel is authorized: (a) Travel to enable youths (i) to visit campuses of postsecondary institutions which are in reasonable proximity to the project's target area, (ii) to participate in "College Days" or their equivalent or (iii) to observe and meet with persons who are employed in various career fields and who work within reasonable proximity to the target area;

(b) Staff travel to professional and educational conferences specifically related to project development and to Office of Education sponsored meetings, when approved in writing by the Commissioner; and

(c) Other travel specifically approved by the Commissioner in writing and in advance of such travel.

(20 U.S.C. 1070d-1.)

§ 159.15 Coordination of administration with other programs authorized by Title IV-A-4 of the Act.

In addition to the requirements set forth in CFR 100a.275 and § 159.6, when an applicant under this part requests funds to carry out one or more of the programs authorized by Title IV-A-4 of the Act. The application must reflect the following:

(a) Provision for a single, unified administrative program operation. In the event a Project Director of one of the projects subject to this provision is selected to coordinate two or more projects, the salary of that individual must be prorated among the projects;

(b) Provision for separate program identities, activities, and budget; and

(c) Consolidation of personnel and program functions to the fullest extent possible while still maintaining separate program identity.

(20 U.S.C. 1070d-1; 1232c(b)(1).)

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